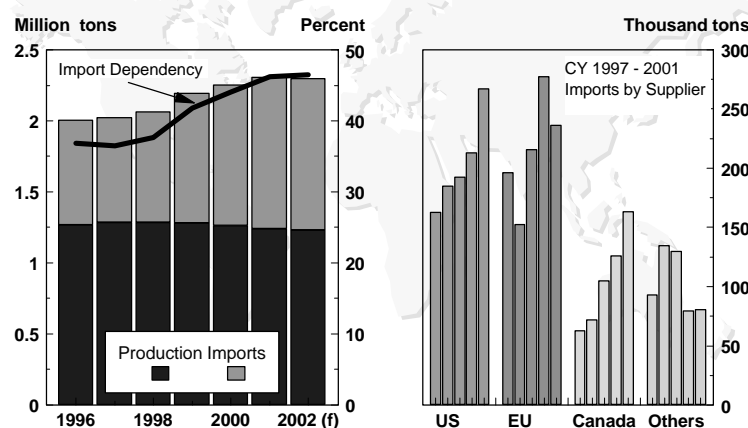


Japan's Swine and Pork Situation

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 (p) | 2002 (f) |
|--|--------|--------|--------|--------|--------|----------|----------|
| Swine (1,000 head) | | | | | | | |
| Total Supply* | 27,501 | 27,674 | 27,755 | 27,480 | 27,306 | 27,086 | 27,040 |
| Slaughter | 16,852 | 17,021 | 17,067 | 16,871 | 16,717 | 16,346 | 16,200 |
| Pork (1,000 tons; carcass weight equivalent) | | | | | | | |
| Production | 1,266 | 1,283 | 1,285 | 1,277 | 1,269 | 1,245 | 1,230 |
| Imports | 1,010 | 786 | 777 | 919 | 995 | 1,068 | 1,070 |
| Consumption | 2,119 | 2,134 | 2,146 | 2,212 | 2,228 | 2,269 | 2,332 |
| Ending stocks | 255 | 190 | 106 | 90 | 126 | 170 | 138 |

* Total supply = beginning inventories + pig crop + imports

Japan's Growing Pork Consumption Met Increasingly Through Imports as Domestic Production Stagnates



Japan's pork imports in 2002 are forecast to continue at a record 1.07 million tons, virtually unchanged from 2001. Despite the current pork safeguard measure, imports will likely continue strong as concerns over BSE and beef mislabeling issues have caused consumers to shift to pork. The current pork safeguard measure ends March 31, 2002, and pork imports are expected to become more active. The United States is expected to remain the major supplier of fresh/chilled pork to Japan, while the EU fights Canada and the U.S. to regain its market share for frozen cuts. The United States jumped from 13 percent of the frozen market in 2000 to 22 percent in 2001, while the EU fell from 60 percent to 46 percent due to FMD in the EU. Competition for market share in Japan will be fierce as pork production in exporting countries is forecast at record levels. Japan's pork production is forecast to decrease for a fifth consecutive year as the swine industry continues to consolidate into fewer and larger operations. U.S. pork exports to Japan totaled \$849 million in 2001, making it the largest market for U.S. pork products.